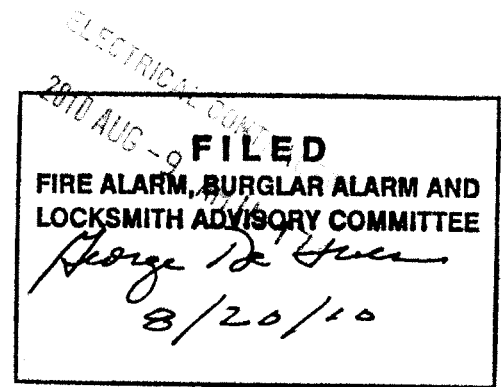


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STATE OF NEW JERSEY
DEPARTMENT OF LAW & PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
NEW JERSEY FIRE ALARM, BURGLAR ALARM
AND LOCKSMITH ADVISORY COMMITTEE

IN THE MATTER OF THE SUSPENSION
OR REVOCATION OF THE LICENSE OF

PAUL A. KERTH
Burglar Alarm License No. 34BA00023900
Fire Alarm License No. 34FA00024100

TO PRACTICE AS A BURGLAR ALARM
AND FIRE ALARM LICENSEE
IN THE STATE OF NEW JERSEY

Administrative Action

FINAL ORDER
OF DISCIPLINE

This matter was opened to the New Jersey Fire Alarm, Burglar Alarm and Locksmith Advisory Committee ("the Committee") upon receipt of information which the Committee has reviewed and on which the following preliminary findings of fact and conclusions of law are made:

FINDINGS OF FACT

1. Paul A. Kerth ("respondent") is a licensed burglar alarm and fire alarm installer in the State of New Jersey and has been a licensee at all times relevant hereto.

2. Respondent is the president of Independent Alarm Distributors, Inc. ("Independent Alarm Distributors") which was originally registered to do business in New Jersey on February 9, 1982 and has been registered at all times relevant hereto. On January 1, 2008, the Committee began licensing alarm and locksmith businesses in New Jersey. However, respondent did not submit a business license application to the Committee for Independent Alarm Distributors until October 28, 2009. Therefore, respondent was operating Independent Alarm Distributors for almost

twenty-two (22) months without the benefit of a business license, as is required pursuant to N.J.S.A. 45:5A-25 and N.J.A.C. 13:31A-3.4.

3. On November 8, 2000, respondent registered the name "Adirondack Alarm" as an alternate trade name for Independent Alarm Distributors. However, the Committee has never received a business license application from respondent seeking a business license for Adirondack Alarm.

4. On November 20, 2000, respondent registered the name "Automatic Alarm Associates" as an alternate trade name for Independent Alarm Distributors.

5. On January 14, 2009, a Camden County Grand Jury indicted respondent on nine separate counts. Count One charged respondent with Conspiracy in the Second Degree. Specifically, it was alleged that respondent conspired with others to commit the crimes of Official Misconduct, Contracts and Combinations in Restraint of Trade, Theft by Deception, False Representations for Government Contracts, and Misconduct by Corporate Official.

6. Count Two of the January 14, 2009 indictment charged respondent with Official Misconduct in the Second Degree. Specifically, it was alleged that respondent submitted rigged bids to Frederick J. Armstrong, the Construction Management Specialist within the New Jersey Department of Corrections, with the purpose to have Mr. Armstrong use his influence and steer contracts awarded by the New Jersey Department of Corrections to Independent Alarm Distributors.

7. Count Three of the January 14, 2009 indictment charged respondent with Conspiracy in Restraint of Trade in the Second Degree. Specifically, it was alleged that respondent conspired with others to restrain trade or commerce by agreeing to fix prices and to submit rigged bids for public contracts issued by the New Jersey Department of Corrections.

8. Count Four of the January 14, 2009 indictment charged respondent with Theft by Deception in the Second Degree. Specifically, it was alleged that respondent created a false impression that the bids submitted by him and his companies were submitted competitively when in fact the bids were submitted collusively.

9. Count Five of the January 14, 2009 indictment charged respondent with Theft by

ELECTRICAL CONTRACTS
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Deception in the Second Degree. Specifically, it was alleged that respondent obtained payments on contracts from the Borough of Oaklyn and the Township of Haddon in an amount in excess of \$500 by creating or reinforcing a false impression that bids submitted by respondent, Independent Alarm Distributors, Adirondack Alarm, Automatic Alarm Distributors and a second individual were submitted competitively when the bids were actually submitted collusively.

10. Count Six of the January 14, 2009 indictment charged respondent with False Representations for a Government Contract in the Second Degree. Specifically, it was alleged that between on or about April 1, 1999 and on or about January 28, 2005 respondent knowingly made material representations that were false in connection with the performance of a government contract.

11. Count Seven of the January 14, 2009 indictment charged respondent with False Representations for a Government Contract in the Second Degree. Specifically, it was alleged that between on or about May 24, 2000, and on or about September 23, 2004 respondent made material representations that were false in connection with the negotiation, award or performance of a government contract.

12. Count Eight of the January 14, 2009 indictment charged respondent with Misconduct by Corporate Official in the Second Degree. Specifically, it was alleged that between on or about April 1, 1999, and on or about January 28, 2005, respondent knowingly did use a corporation, that is Independent Alarm Distributors, in furtherance of criminal objects thereby deriving a benefit.

13. Count Nine of the January 14, 2009 indictment charged respondent with Misconduct by Corporate Official in the Third Degree. Specifically, it was alleged that between on or about May 24, 2000, and on or about September 23, 2004, respondent knowingly did use a corporation, that is Adirondack Alarm, in furtherance of criminal objects thereby deriving a benefit.

14. On September 26, 2009, respondent, as well as the three companies he owns - Independent Alarm Distributors, Adirondack Alarm and Automatic Alarm associates - each plead guilty to Third Degree Theft by Deception. Respondent admitted that he individually, as well as on behalf of Independent Alarm Distributors and Adirondack Alarm, committed Theft by Deception by

obtaining contracts from the State of New Jersey in an amount in excess of \$500 by creating, or reinforcing the false impression that the bids were submitted competitively when in truth the bids were prepared collusively.

15. Respondent admitted to the allegations stated in Count Four of the indictment that starting in 1998 and continuing until at least the end of 2004, Independent Alarm Distributors submitted bids for contracts to perform work at various state prisons and also solicited other alarm contractors to submit fake, cover bids so that Independent Alarm Distributors would win the contracts.

16. Specifically, respondent admitted that he instructed his office manager to approach two vendors and ask them to submit fake, sham, cover bids on behalf of their companies for the installation of closed circuit television components at Mid-State Correctional Facility in January and March of 2003. Respondent provided the vendors with the prices to use on their bids knowing ahead of time that the these bids would be higher than the bids submitted by Independent Alarm Distributors. As a result, Independent Alarm Distributors was awarded the contract for the work at the Mid-State Correctional Facility.

17. Respondent also admitted to the allegations contained in Count Five of the indictment that between the dates of May 24, 2000, and on or about September 23, 2004, he did purposely obtain the property of another by deception in that he and Independent Alarm Distributors obtained payments on contracts from Haddon Township, by creating or reinforcing a false impression that bids submitted by respondent, Independent Alarm Distributors, Adirondack Alarm, and Automatic Alarm Associates were submitted competitively when in truth the bids were prepared collusively.

18. Specifically, respondent admitted that in order for Independent Alarm Distributors to be awarded the contract involving the installation of upgraded alarm equipment for the Edison and Jennings Schools in Haddon Township, he instructed his office manager to submit a price on a bid by Automatic Alarm Associates which would be higher than the bid submitted by Independent Alarm Distributors. As a result, Independent Alarm Associates was awarded the contract for the work for the installation of upgraded alarm equipment for the Edison and Jennings Schools.

CONCLUSIONS OF LAW

1. The above preliminary findings of fact provide grounds to suspend respondent's burglar alarm license and fire alarm license, and to deny his request for a burglar alarm or fire alarm business license, pursuant to N.J.S.A. 45:1-21(b) and N.J.A.C. 13:31A-1.9(a)(2), in that respondent's convictions on two counts of Theft by Deception constitute the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense.

2. The above preliminary findings of fact provide grounds to suspend respondent's burglar alarm license and fire alarm license, and to deny his request for a burglar alarm or fire alarm business license, pursuant to N.J.S.A. 45:1-21(f) and N.J.A.C. 13:31A-1.9(a)(6), in that respondent's convictions on two counts of Theft by Deception are convictions constituting crimes and offenses involving moral turpitude and relating adversely to the activity regulated by the Committee.

3. The above preliminary findings of fact provide grounds to suspend respondent's burglar alarm license and fire alarm license, and to deny his request for a burglar alarm or fire alarm business license, pursuant to N.J.S.A. 45:1-21(h), in that respondent's failure to apply for a business license for Independent Alarm Distributors, Adirondack Alarm and Automatic Alarm Associates, as required pursuant to N.J.S.A. 45:5A-25 and N.J.A.C. 13:31A-3.4, is the violation of a provision of a statute and a regulation administered by the Committee.

4. The above preliminary findings of fact provide grounds to suspend respondent's burglar alarm license and fire alarm license, and to deny his request for a burglar alarm or fire alarm business license, pursuant to N.J.S.A. 45:1-21(n), in that respondent has permitted the unlicensed entities Independent Alarm Distributors, Adirondack Alarm and Automatic Alarm Associates to perform acts for which a license is required by the Committee.

5. The above preliminary findings of fact provide grounds to deny respondent's business license application for Independent Alarm Distributors, and to deny him from holding a business license for any other proposed burglar alarm or fire alarm business entity, pursuant to N.J.S.A. 45:1-21(h), in that Independent Alarm Distributors has been engaging in the provision of alarm services without obtaining a business license as required pursuant to N.J.S.A. 45:5A-25 and

DISCUSSION

Based on the foregoing findings and conclusions, a Provisional Order of Discipline provisionally suspending respondent's license to practice as a burglar alarm and fire alarm installer in the State of New Jersey, as well as denying his business license application for Independent Alarm Distributors for a one year period, and prohibiting respondent from holding a business license for any other proposed burglar alarm or fire alarm business entity for a one year period, was entered on April 20, 2010 and a copy was forwarded to respondent at the last known address on file with the Committee by certified and regular mail. The Provisional Order was subject to finalization by the Committee at 5:00 p.m. on the 30th business day following entry unless respondent requested a modification or dismissal of the stated Findings of Fact or Conclusions of Law by submitting a written request for modification or dismissal setting forth in writing any and all reasons why said findings and conclusions should be modified or dismissed and submitting any and all documents or other written evidence supporting respondent's request for consideration and reasons therefore.

The certified card pertaining to the certified mailing was returned to the Committee indicating a date of delivery of May 27, 2010 with the signature "J. McNamara". The Provisional Order sent by means of regular mail was not returned. No written response from respondent was received by the Committee. Because the Provisional Order was forwarded to respondent's address of record, the Committee deems service to have been effected. Accordingly, it is determined that further proceedings were not necessary and that the Provisional Order should be made final.

ACCORDINGLY, IT IS, on this *2nd* day of *August*, 2010

HEREBY ORDERED THAT:

1. Respondent's license to practice as a burglar alarm installer in the State of New Jersey is hereby suspended for one year. Additionally, prior to reinstatement, respondent shall demonstrate that he has complied with and satisfied all of his criminal related sanctions and requirements.

2. Respondent's license to practice as a fire alarm installer in the State of New Jersey is hereby suspended for one year. Additionally, prior to reinstatement, respondent shall demonstrate that he has complied with and satisfied all of his criminal related sanctions and requirements.

3. Respondent's business license application for Independent Alarm Distributors is hereby denied. The Committee will not consider respondent's business license application for Independent Alarm Distributors for a one year period and until respondent can demonstrate that he has complied with and satisfied all of his criminal related sanctions and requirements. Additionally, respondent is prohibited from holding a business license for any other proposed burglar alarm or fire alarm business entity for a one year period and until respondent can demonstrate that he has complied with and satisfied all of his criminal related sanctions and requirements.

4. Respondent shall refrain from engaging in practice as a burglar alarm installer in the State of New Jersey and shall not represent himself as a burglar alarm installer until such time as his license is reinstated.

5. Respondent shall refrain from engaging in practice as a fire alarm installer in the State of New Jersey and shall not represent himself as a fire alarm installer until such time as his license is reinstated.

NEW JERSEY FIRE ALARM, BURGLAR ALARM
& LOCKSMITH ADVISORY COMMITTEE

By: _____

Charles Okun
Chairman